

Message Text

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ORIGIN EB-07

INFO OCT-01 ARA-06 EUR-12 SS-15 EA-07 ISO-00 TRSE-00
NSC-05 OMB-01 AID-05 IGA-02 CIAE-00 DODE-00 PM-04
H-01 INR-07 L-03 NSAE-00 PA-01 PRS-01 SP-02
USIA-06 COME-00 FRB-03 XMB-02 OPIC-03 LAB-04
EPG-02 SIL-01 /101 R

DRAFTED BY EB/IFD/OMA:CHERVIN
APPROVED BY EB:PHBOEKER
EUR/WE:EMROWELL
TREASURY:PO'CONNELL
E - JEINHORN

-----041059Z 123590 /10

R 040233Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CARACAS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY VIENNA
USMISSION EC BRUSSELS
USMISSION OECD PARIS
INFO AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: EFIN, PO

SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: STATE 88960

1. ACTION POSTS EXCEPT OECD PARIS ARE REQUESTED TO DELIVER A DIPLOMATIC NOTE EMBODYING THE CONTENTS OF PARAGRAPHS TWO THROUGH SIX BELOW TO HOST GOVERNMENT OR ORGANIZATION. COPY OF NOTE SHOULD BE PROVIDED TO FINANCE AS WELL AS FOREIGN MINISTERS. PLEASE PROVIDE APPROPRIATE COMPLIMENTARY OPENING AND CLOSING STATEMENTS. SUBSTANCE OF NOTE SHOULD READ AS FOLLOWS:

2. QUOTE: THE UNITED STATES IS ENCOURAGED BY INITIAL RESPONSE TO ITS PROPOSAL FOR A COORDINATED INTERNATIONAL LENDING EFFORT TO ASSIST PORTUGAL. IN VIEW OF NUMEROUS EXPRESSIONS OF INTEREST IN AN EARLY MEETING OF POSSIBLE PARTICIPANTS IN THE LENDING EFFORT, THE GOVERNMENT OF THE UNITED STATES WISHES TO INVITE (FILL IN THE NAME OF GOVERNMENT OR ORGANIZATION) TO ATTEND SUCH A MEETING BEGINNING AT 10 A.M. ON MAY 16 AT WORLD BANK/INTERNATIONAL MONETARY FUND HEADQUARTERS IN PARIS, 64-66 AVENUE D'ENNA.

3. THE UNITED STATES WOULD EXPECT AT THIS MEETING TO EXAMINE THE PORTUGUESE ECONOMIC AND FINANCIAL SITUATION WITH A VIEW TO ACHIEVING A COMMON UNDERSTANDING OF THE DIMENSIONS OF PORTUGAL'S FINANCIAL PROBLEMS AND TO DISCUSS THE BEST MODALITIES AND TERMS OF ASSISTANCE WHICH WOULD HELP PORTUGAL TO MEET ITS BALANCE OF PAYMENTS FINANCING NEEDS. INDIVIDUAL COUNTRIES WOULD NOT BE EXPECTED AT THIS MEETING TO MAKE ANY PLEDGE OR COMMITMENT REGARDING THE LEVEL OR TYPE OF ASSISTANCE THEY MIGHT PROVIDE.

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4. THE INTERNATIONAL MONETARY FUND AND WORLD BANK HAVE AGREED TO ADDRESS THE MEETING ON PORTUGAL'S ECONOMIC SITUATION AND NEAR TERM PROSPECTS. RECENT STUDIES BY THESE TWO ORGANIZATIONS, IMF DOCUMENT EBS/77/100: "PORTUGAL-REQUEST FOR STAND-BY ARRANGEMENT" AND WORLD BANK REPORT NO. 1408A-PO: "PORTUGAL, AN ECONOMY IN TRANSITION," SHOULD PROVIDE USEFUL BACKGROUND INFORMATION. A PORTUGUESE REPRESENTATIVE WILL REPORT ON FINANCING NEEDS AND CURRENT EFFORTS TO REBUILD THE ECONOMY AND CORRECT EXTERNAL DEFICITS. THE UNITED STATES WILL BE PREPARED TO DISCUSS THE FORM AND TERMS OF OUR OWN PLANNED ASSISTANCE.

5. THE UNITED STATES ANTICIPATES THAT THE MEETING WOULD BE AT THE OFFICIALS LEVEL. PARTICIPANTS FROM THE UNITED STATES WILL BE DEPUTY ASSISTANT SECRETARY OF STATE FOR ECONOMIC AND BUSINESS AFFAIRS, PAUL H. BOEKER AND DIRECTOR OF THE OFFICE OF INTERNATIONAL MONETARY AFFAIRS OF THE DEPARTMENT OF THE TREASURY, DONALD E. SYVRUD.

6. AN EARLY EXPRESSION OF YOUR INTENT TO PARTICIPATE IN
THE MEETING WOULD BE APPRECIATED. UNQUOTE.

7. FOR OECD PARIS: SO THAT THE OECD MAY BE KEPT INFORMED
OF INTERNATIONAL EFFORTS ON BEHALF OF PORTUGAL PLEASE
INVITE AN APPROPRIATE WORKING LEVEL OECD OFFICIAL TO
ATTEND IN AN OBSERVER CAPACITY THIS INFORMATIONAL MEETING.

VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Sent Date: 04-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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